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May 1, 2007

Via electronic filing

Marlene Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

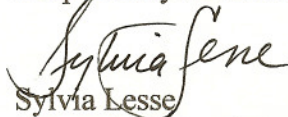
Re: South Canaan Cellular Communications Company, LP
CC Docket No. 94-102
Report Due May 1, 2007

Dear Madam Secretary:

Pursuant to the Commission's *Order*,¹ South Canaan Cellular Communications Company, LP ("South Canaan") hereby submits the attached report regarding its progress in meeting the 95% ALI-compliant handset penetration requirement.

Please contact the undersigned if you have any questions regarding this report.

Respectfully submitted,



Sylvia Lesse
Counsel for South Canaan
Cellular Communications Company, LP

cc: * Dana Shaffer, Public Safety & Homeland Security Bureau, FCC
* Jeff Cohen, Public Safety & Homeland Security Bureau, FCC
Mr. Bernie Swartwood, Pike County Communications
Mr. Marty Hedgelon, Wayne County E911 Coordinator

*via electronic mail

¹ *In the Matter of Revision of the Commission's Rules to Ensure Compatibility with Enhanced 911 Emergency Calling Systems*, CC Docket No. 94-102, DA 07-1217 (rel. Mar.9, 2007) ("Order").

**REPORT OF SOUTH CANAAN
CELLULAR COMMUNICATIONS COMPANY, L.P.**

Due May 1, 2007

Pursuant to the Commission's *Order*¹ granting South Canaan Cellular Communications Company, L.P. ("South Canaan") an extension until September 30, 2007 to achieve the goal of 95% penetration of ALI-capable handsets among its subscribers, South Canaan submits this following progress report:

(1) Number and status of Phase II requests received from PSAPs (including those the carrier may consider invalid):

South Canaan received a valid Phase II request from Pike County and provides Phase II service to this county. South Canaan initiated the provision of Phase II services to its Pike County service area on February 28, 2005. Phase I service was initiated in Wayne County on April 26, 2006 and the Company received a Phase II request from Wayne County in March, 2007 and is waiting for Wayne County to finalize its deployment plan.

South Canaan received a Phase II request from the Monroe County PSAP, which, although not physically within its service territory, receives E911 information from three sites within South Canaan's service territory in Pike County. South Canaan initiated the provision of Phase II services to this PSAP on March 26, 2006.

(2) The dates on which Phase II service has been implemented or will be available to PSAPs served by its network:

South Canaan initiated the provision of Phase II services to Pike County on February 28, 2005 and to Monroe County on March 26, 2006. South Canaan Cellular is transmitting Phase II data to the Wayne County PSAP today, although the Wayne County PSAP, not yet Phase II compliant, does not process this information. South Canaan is prepared to support Wayne County when the county is ready to deploy Phase II.

(3) The status of its coordination efforts with PSAPs for alternative 95% handset penetration dates

South Canaan continues to coordinate regularly with the PSAPs for both Pike and Wayne Counties. Both administrators have been informed that extensions of the 95% handset penetration date have been granted by the Commission. Open channels of communications exist to ensure that any new or developing concerns are addressed.

¹ *In the Matter of Revision of the Commission's Rules to Ensure Compatibility with Enhanced 911 Emergency Calling Systems*, CC Docket No. 94-102, DA 07-1217 (rel. Mar. 9, 2007) ("*Order*").

(4) Efforts to encourage customers to upgrade to location-capable handsets:

South Canaan continues its program of regularly reminding customers of the benefits associated with upgrading handsets through billing inserts and print advertising, emphasizing that location information will not be available to emergency service providers unless the customers transition to CDMA ALI-capable phones. The company also continues its aggressive upgrade/trade-in program which offers a compliant handset to postpaid customers without any cost to the subscriber, as well as other popular handset models at heavily discounted prices (averaging a 35% discount for 1-year agreements and a 74% discount for 2-year agreements).

The Company also continues to run two significant promotions to attract new business and encourage handset upgrades. First, South Canaan has a “Test Drive” campaign which would allow analog handset users to try ALI-capable digital handsets with no phone or local wireless service cost for 30 days. At the end of the promotion period, the trial phone must be returned or the customer will incur regular cellular service expenses per the trial service application agreement. Secondly, the Company offered a prepaid promotion where a free ALI-capable handset is provided with the purchase of a \$100 value pre-paid airtime card and payment of a \$20 activation fee.

South Canaan recently hired a dedicated Business to Business salesperson. This person is responsible to call on analog and digital cellular accounts. This focused attention should help the company understand and address any barriers to upgrade from analog to digital handsets.

For analog subscribers who require 3 watts of power, such as rural school bus operators and rural contractors, the expense of acquiring ALI-capable handsets with wattage amplifiers is several hundred dollars per handset, which is a barrier to conversion for them. Although South Canaan has increased its service area coverage with additional cell sites, the rural market, which is wooded and mountainous, still has some areas where an amplified handset is needed.

(5) Percentage of customers with location-capable phones:

Currently, approximately 91% of South Canaan direct customers utilize compliant phones.²

² Approximately 50% of the system's users are TracFone resale customers.

(6) Status in achieving compliance and whether it is on schedule to meet the revised deadline; comparison with other Tier III carrier compliance efforts

In its initial report pursuant to the requirements of under the Commission's Order adopted *In the Matter of Revision of the Commission's Rules to Ensure Compatibility with Enhanced 911 Emergency Calling Systems*, CC Docket No. 94-102, FCC 06-25 (rel. Mar. 8, 2006, South Canaan adopted the following interim penetration goals:

May, 2006	78%
July, 2006	80%
October, 2006	83%
December, 2006	95%

South Canaan exceeded its October, 2006 goal, reporting on November 1, 2006 that it had reached an approximately 85% penetration rate. The assumption underlying its original estimate that it could achieve the benchmark rate by December, 2006 was based upon what turned out to be an overly optimistic estimate of holiday season sales.

In its latest petition, South Canaan requested a nine-month extension, until September 30, 2007, within which to meet the penetration benchmark. Anticipating, on the average, a continuation of the historic approximate one-percent per month increase in subscriber penetration, South Canaan adopted the following revised schedule:

February 1, 2007	87%
May 1, 2007	90%
August 1, 2007	93%
September 30, 2007	95%

South Canaan is pleased to report that it is on track to meet the September 30, 2007 deadline, having exceeded its projected 90% penetration goal by May 1, 2007.

South Canaan's efforts to achieve the 95% penetration rate compare favorably with the efforts of other Tier III carriers. For example, the out-bound call campaign of a Tier III carrier cited with approval by the Commission is similar to South Canaan's own outreach program, targeted to analog users and offering a free phone in return for a 2-year service commitment.³ Over the next several months, South Canaan will consider reducing or eliminating the requirement for a customer to commit to a new contract term in return for a free compliant phone.

³ *Request for Waiver of Location-Capable Handset Penetration Deadline by Sprint Nextel Corporation*, WT Docket No. 05-286, *Order*, FCC 06-183, ¶ 32 (rel. Jan. 5, 2007) ("*Sprint Nextel Order*"). Puerto Rico Telephone Company dba Verizon Wireless offered: (1) a choice between two free GPS-compliant handsets with the renewal of the customer's contract; (2) a one-year contract term rather than two years; and (3) 100 free minutes per month for three months. The Commission noted that other carriers have offered free upgrades without requiring an additional contract commitment. *Id.*

Similarly, South Canaan also has marketed signal boosters,⁴ but has had limited success in this area. In addition, South Canaan is considering including in its summer campaign the introduction of several other inducement efforts cited by the Commission as indicative of aggressive strides toward compliance: activation fee waiver and discount on accessories.⁵ South Caanan will continue to monitor and update its campaign to meet the 95% benchmark by September 30, 2007.

⁴ *Id.*, citing efforts of Washington RSA No. 8 Limited Partnership.

⁵ *Id.*, citing efforts of Cable & Communications Corporation.

DECLARATION OF CAROLYN COPP

I, Carolyn Copp, President of SCCI, LLC, the General Partner of South Canaan Cellular Communications Company, L.P., do hereby declare under penalty of perjury that I have read the foregoing "Report of South Canaan Cellular Communications Company, L.P., Due May 1, 2007" and that the facts stated therein are true and correct, to the best of my knowledge, information and belief.

1 May 2007
Date

Carolyn Copp
Carolyn Copp